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THE UNITED NATIONS DEVELOPMENT FUND FOR WOMEN

Report of the Administrator

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I. PURPOSE

1. As requested by the Executive Board in its decision 95/18, the following progress report on the United Nations Development Fund for Women (UNIFEM) has been prepared by the UNDP Administrator in cooperation with the Director of UNIFEM. The report provides information to the Executive Board with respect to the financial situation of UNIFEM since its last written report, document DP/1995/61, dated 31 July 1995, which was discussed by the Board at its third regular session 1995. The present document also includes information on the steps the Fund proposes to take to re-establish its operational reserve, as well as a discussion of UNIFEM programme strategies since the Fourth World Conference on Women.

II. THE FINANCIAL SITUATION

A. Programme implementation in accordance with table 3 of document DP/1995/33 and response to the Management Letter of the Board of Auditors

2. As previously reported to the Executive Board at its third regular session 1995, UNIFEM has pursued a vigorous fund-raising strategy to secure contributions for general resources and co-financing activities from both traditional and new donor Governments, the private sector and individuals. The Fund wishes to express its grateful appreciation to all Governments which have provided contributions to UNIFEM in 1995. For the year ended 31 December 1995, general resource income totalled $15.557 million - $15.016 million in voluntary contributions, $.239 million net private donations (gross of $.643 million less $.404 million included in cost-sharing income) and $.331 million in interest and other income. This represents a net increase of $3.957 million over the initial estimate of $11.600 million for 1995 general resource income.

3. Efforts to increase UNIFEM resources and broaden its resource base resulted in an expansion of the number of Governments announcing firm pledges for 1996 during the United Nations Pledging Conference for Development Activities. In November 1995, 30 Governments announced pledges, compared to 17 in 1994. During the November 1995 Conference, UNIFEM received firm pledges of $5.71 million for 1996, which represents an increase of $1.52 million from 1995. These firm pledges, when combined with informal contacts with donors who did not pledge, indicate that, in 1996, UNIFEM can expect to receive an estimated $13.250 million 1/ from 56 donor Governments. This represents an 11.5 per cent increase over the initial estimates of 1996 government contributions provided in table 3 of DP/1995/33.

4. As a result of strict monitoring of income and expenditures and diligent management, actual general resource expenditures, as shown below in table 1, totalled $12.367 million, $4.693 million lower than the amount projected in table 3 of document DP/1995/33, 1/ with savings in every category of expenditures. As a result of these savings, the unexpended general resource balance at 31 December 1995 amounted to $4.101 million, thus providing a

significant step towards the resources needed to rebuild the required operational reserve.

Table 1. 1995 general resources expenditures

(In millions of United States dollars)

	Budgeted	Actual	Variance
Project costs	13.390	9.088	4.302
Administrative costs	3.050	2.738	.312
Technical costs	.620	.541	.079
Total	17.060	12.367	4.693

5. In its decision 96/8 of 19 January 1996, the Executive Board authorized UNIFEM to initiate an additional $2.0 million of new programming in 1996. With this increase, total 1996 projected expenditures for projects amounts to $13.06 million, with new projects accounting for $6.0 million and ongoing projects for $7.06 million. Administrative and technical support costs have stabilized and are estimated at $2.60 million and $0.62 million, respectively, resulting in an estimated unexpended general resource balance of $1.97 million at year end 1996. This balance assumes 100 per cent programme delivery. However, if a more realistic delivery rate of 80 per cent is considered, this balance would increase to $4.57 million, as shown in table 2 below.

Table 2. UNIFEM general resources projections, based on 80 per cent delivery of project budgets

(In millions of United States dollars)

	1996	1997
Opening balance	4.10	4.57
Projected income	14.15	15.15
Government contributions	13.25	14.25
Private donations/other	0.90	0.90
Projected expenditures	13.68	13.76
Projects:	10.46	10.54
Ongoing projects	5.66	3.54
New projects	4.80	7.00
Administrative costs	2.60	2.60
Technical support costs	0.62	0.62
Balance of general resources	4.57	5.96

6. In 1997, total estimated resources is projected at $19.72 million, including both the balance carried forward ($4.57 million) and expected income ($15.15 million). Projected expenditures for ongoing and new projects and administrative and technical costs are estimated at $13.76 million. The projected balance of $5.96 million, as shown in table 2 above, would therefore be available for funding the operational reserve (see sect. F below).

B. Periodic review of financial management

7. The mechanisms for review in UNIFEM and interface with UNDP described in document DP/1995/61 remain in place. These include both the written reports, specified in paragraphs 3 and 4 of that document, as well as monthly meetings between UNIFEM and the Office of the Administrator.

C. Establishment and use of the overdraft facility, suspension of the operational reserve and full funding of UNIFEM commitments

8. It has not been necessary for UNIFEM to avail itself of the overdraft facility made available by UNDP. Since the time of the suspension of the requirements for the operational reserve in June 1995 (decision 95/18, para. 62), UNIFEM has only entered into new commitments that were within its capacity to meet from the resources on hand.

D. Strengthened financial management within UNIFEM and UNDP/UNIFEM interface

9. The Outposted Finance Officer provided to UNIFEM by UNDP remains in place and has provided substantial assistance to UNIFEM during the time under review. UNIFEM has continued to update the financial data in its Budget Management System (BMS) on a regular basis. At the time of the present report, all unspent allocations under ongoing projects have been rephased to 1996 and future years. A systematic and thorough assessment of the status of all projects is regularly carried out to determine the level of actual funds required for each project. This exercise, in connection with the use of shadow budgets, allows UNIFEM to carefully monitor each project's allocations and expenditures and take immediate corrective action whenever necessary.

10. Since September 1995, the following additional internal control systems and procedures have been implemented:

(a) Strict compliance with all applicable regulations, rules and guidelines for co-financing activities has been instituted;

(b) Reporting formats have been revised, making reports more useful for monitoring and evaluation purposes;

(c) Ordinary budget revisions have been processed in a timely manner;

(d) Regular processing and submission to the Accounts Section of the Division of Finance (DOF) of appropriate final project budgets has taken place;

(e) Approval and authorization in connection with headquarters and country office direct payments and advances under the national execution modality are provided only after adequate documentation pertaining to previous advances has been received;

(f) Reconciliation of UNIFEM and UNDP financial records is undertaken on a monthly basis to ensure the integrity of financial data with regard to both expenditures and income.

E. Introduction of a UNDP-standard automated financial system into UNIFEM

11. As requested by the Executive Board in its decision 95/18, actions have been initiated to evaluate the functionality of BMS and to define the requirements for migration to the Project Financial Management System (PFMS), in concert with UNDP Division for Administrative and Information Services (DAIS) and DOF in the Bureau for Finance and Administration (BFA). A survey of the capacities of PFMS has been undertaken, revealing that the system does not fully address UNIFEM needs and requirements. Because of its direct role in project planning, implementation and monitoring, UNIFEM requires a system which allows the inclusion of pipeline projects, the setting of approval ceilings and the tracking and monitoring of allocations and expenditures on a project-per-project and budget line-per-budget line basis.

12. In consultation with DAIS and DOF, it was concluded that PFMS would have to be enhanced with the addition of modules to meet UNIFEM needs. In the first instance, the country office version of the PFMS will be examined as soon as it is available, in order to determine which components are applicable to UNIFEM needs. UNIFEM will also consult with other Funds within the UNDP to analyse needs and collaborate with them in the development of modifications or additions to existing systems to meet those needs as efficiently and cost-effectively as possible.

F. Re-establishment of the operational reserve and the partial funding mechanism

13. As of 31 May 1996, total project allocations from general resources for the years 1996 to 1999 amount to $14.92 million, distributed as follows: $13.06 million in 1996; $1.81 million in 1997; $.025 million in 1998; and $.022 million in 1999. In support of these outstanding commitments, UNIFEM proposes to re-establish the operational reserve in October 1996 at the initial level of $3.00 million, calculated roughly on the basis of the existing partial funding formula (see table 3).

14. While UNIFEM proposes to re-establish the operational reserve in October 1996 to cover commitments to ongoing projects, it intends to delay its request for the consideration of establishment of the mechanisms to approve new projects under the partial funding modality until 1997. In the review of the partial funding methodology up to the time of writing the present report, concern exists regarding its applicability to UNIFEM. UNIFEM and BFA therefore intend to undertake a thorough study of the methodology underlying the partial funding formula, in order to assess its validity in light of the current UNIFEM financial situation, with the intention of presenting the Board with the results of this review and a corresponding proposal to resume project approvals under the partial funding modality in 1997.

Table 3. Operational reserve calculation

Year	Project budgets (in millions of United States dollars)	Ratio	Operational reserve component (in millions of United States dollars)
1996	2.610 a/	66.7 per cent	1.741
1997	1.810	66.7 per cent	1.210
1998	.025	50.0 per cent	.013
1999	.022	33.0 per cent	.007
Total			2.971

a/ Represents 20 per cent of the 1996 budget of $13.06 million.

III. PROGRAMME STRATEGIES SINCE SEPTEMBER 1995

15. In the post-Beijing period, the UNIFEM programme focus has been on the economic and political empowerment of women. The new programme direction is in response to the recommendations of the Beijing Platform for Action, which stated in paragraph 335 that UNIFEM would concentrate on women's economic and political empowerment.

16. As called for by the Executive Board in its decision 95/10 of 7 April 1995, an external evaluation of UNIFEM was carried out over the period February to June 1996. The executive summary of the evaluation report is contained in document DP/1996/34, and the full text of the original report is also being made available to members of the Executive Board at the current session. UNIFEM looks forward to the discussion of the evaluation report, and will review the information on UNIFEM programme strategies presented below, in light of that discussion.

17. As the operational organization within the United Nations system mandated to bring about the empowerment of women, UNIFEM is ensuring that the recommendations from the Beijing Platform for Action are translated into catalytic programmes. Empowerment is the process of increasing women's access to resources at all levels, so as to enable them to have greater control over their own lives and the means to make a living on a long-term basis, leading ultimately to their greater influence over the direction of their communities and society as a whole.

18. As the operational and advocacy organization for the empowerment of women, UNIFEM focuses on work with:

(a) National Governments, to strengthen their capacity to engender policies and programmes and to develop the tools necessary for gender-responsive national development planning;

(b) Women's organizations and networks, to build and promote their capacity to advocate for their issues;

(c) United Nations system agencies and bodies, to keep women's issues high on the agenda of mainstream United Nations organizations.

19. UNIFEM promotes dialogue between national Governments and women's organizations, thereby involving civil society more fully in development planning and increasing the accountability of national Governments with regard to the concerns of women at all levels. The Fund then documents its work and widely disseminates best practices and lessons learned, so as to increase the effectiveness and efficiency of development interventions.

A. The Economic Empowerment Programme

20. Women constitute over 70 per cent of the one third of the world's population living in absolute poverty. Their impoverishment has been exacerbated in large part by the transformations taking place in the world through trade liberalization, rapid technological changes, industrialization, structural adjustment programmes and environmental degradation. In recognition of the importance of correcting this trend, it is critical that the United Nations place emphasis on the role of women's economic empowerment in strategies for poverty eradication. UNIFEM defines economic empowerment as having access to and control over the means to make a living on a sustainable and long-term basis, and receiving the material benefits of this access and control.

21. During the period 1995-1996, the economic empowerment programme worked at two levels:

(a) At the policy level, helping Governments to better understand the gender-differentiated implications of the globalization and economic restructuring on women's lives, and to increase the capacity of women's organizations to intervene in policy-making processes on their own behalf. Particular focus was given to trade policies, the impact of new technologies on women, and the conditions of the growing numbers of female home-based workers around the world;

(b) At the micro-level, developing and demonstrating innovative ways of directly assisting women to minimize threats to and maximize opportunities for sustainable livelihoods, in light of global economic changes. In particular, the programme has concentrated on issues of access to credit, training, improved technologies, relevant information and land and other natural resources on which women's productive, sustainable livelihoods may be based.

22. The progress UNIFEM has made towards meeting its overall objective of assisting women to become economically empowered includes:

(a) Within the context of globalization and economic restructuring, key policy issues in the areas of trade, new technologies and conditions of home-based workers have been identified and strategies for programming in these areas developed. Steps have also been taken to implement these strategies in terms of: creating networks (e.g., trade, new technologies, credit, science and technology); packaging and disseminating information (e.g., sourcebooks and guidelines); mobilizing women for advocacy (e.g., strategy workshops); and formulating recommendations for action (e.g., workshop reports on trade, new technologies and science and technology and credit). Moderate success has also been achieved in terms of influencing policy makers (e.g., facilitation of the meeting and discussion of Asian labour ministers to support the Home-based Workers Convention at the June 1996 International Labour Conference), and making international policy documents more gender-sensitive (e.g., advocacy in support of engendering the recommendations of the United Nations Commission on Science and Technology for Development);

(b) With respect to support for women's sustainable livelihoods, benefits such as increased productivity of women's enterprises; creation of jobs for women; increased ability of women to handle technology and to solve problems; increased income for women; and an increase in women's self-confidence and well-being have been observed in the course of the implementation of innovative UNIFEM pilot projects. Of particular interest is the extent to which UNIFEM support is enabling women to become more independent of the intermediary institutions which have given them initial assistance. This is due in large part to the strategy of linking women with local sources of technical expertise, raw materials, markets and commercially available credit, so that they have access to the necessary inputs and services to be self-sufficient.

B. The Political Empowerment Programme

23. Women's political empowerment means women's increased control over their lives, both inside and outside their households, so as to enable them to improve the institutions which shape their lives and to promote the building of stable lives in conflict-free societies. At the Fourth World Conference on Women in Beijing and the parallel non-governmental organization forum in Huairou, women demanded a world where they are empowered politically and economically. UNIFEM response to this demand since the Fourth World Conference on Women has been the development of a holistic programme which focuses on: (a) women in governance and decision-making at all levels; (b) peace-building and conflict resolution; and (c) human rights and violence against women. The goal of the programme is to ensure the participation of women at all levels of development planning and practice.

24. Under the theme of governance, UNIFEM is continuing to build on its three-pronged strategy to: (a) create an enabling environment where the legal and social status of women is improved, and more gender-sensitive policies and plans are not only developed but also implemented; (b) strengthen the women's movement so that it is able to create an enabling environment and effect social change; and (c) promote women's enhanced leadership and participation in the area of governance.

25. Under the theme of peace-building and conflict resolution, UNIFEM is intensifying its efforts to empower African women who have been displaced from their home communities, and to promote gender-sensitive strategies and actions for peace-building and conflict resolution. This programme uses a twofold approach: (a) advocacy and capacity-building activities, (b) direct assistance projects that have an integrated approach to the practical and strategic needs of women in crisis.

26. UNIFEM work on human rights promotes the principle that the protection of women's human rights is fundamental to ensuring women's self-realization and full participation in their societies. The programme's specific approach aims at: (a) strengthening the capacity of women's organizations to advocate for women's human rights nationally and internationally; (b) increasing women's understanding of, access to, and use of the international human rights machinery; and (c) mainstreaming women's human rights concepts into the United Nations system, in order to improve the accountability of the United Nations for protecting the human rights of women and to contribute to increased United Nations system-wide cooperation and coordination on women's human rights issues. In addition, UNIFEM continues to focus on the issue of violence against women as an obstacle to development.

27. In its resolution 50/166 of 22 December 1995, the General Assembly reiterated its appreciation of the advocacy initiatives of UNIFEM, in particular with respect to efforts to combat violence against women, and requested the Fund to strengthen its activities in support of international, national and community efforts towards the elimination of violence against women. As requested in that resolution, a trust fund on violence against women has been established and is expected to become operational in late 1996. Priority will be given to activities in the following areas: awareness-raising, capacity-building, legal literacy, training, action-related research, and innovative and catalytic projects.

C. Building partnerships within the United Nations system

28. UNIFEM has a close working relationship with other United Nations agencies, Governments, non-governmental organizations, and the international women's movement. It has played a critical role in United Nations efforts to link the priorities and practices of these various partners.

29. In all the recent United Nations world conferences - the United Nations Conference on Environment and Development, the World Conference on Human Rights, the International Conference on Population and Development, the World Summit for Social Development, the Fourth World Conference on Women and the United Nations Conference on Human Settlements (Habitat II) - UNIFEM has worked with a large number of organizations before, during, and after each conference to create the political environment necessary for women's voices to be heard, consensus to be forged, and action to be taken. As a result of its connections to a worldwide network of women's organizations, experts, activists, and grass-roots workers, UNIFEM is able to help women place their issues on international, national and regional agendas.

30. UNIFEM is providing technical support to United Nations resident coordinators to assist in the implementation of the Beijing Platform for Action at the national level. The work of UNIFEM complements the work of other gender-in-development programmes, charged with mainstreaming gender issues, including those of UNDP.

31. UNIFEM has chaired the Working Group on Women's Empowerment for the implementation of the International Conference on Population and Development (ICPD). The Working Group developed guidelines to facilitate collaboration among United Nations agencies and between the United Nations system and its government and civil society partners. UNIFEM has also collaborated with the United Nations Children's Fund (UNICEF) to build links between the Convention on the Elimination of All Forms of Discrimination Against Women and the Convention on the Rights of the Child. UNIFEM and UNICEF are also working in partnership to promote the participation of women and girls in peace-building.

32. UNIFEM is working closely with the Special Political Adviser to the Secretary-General on gender issues. Of the three working groups that have been planned under the Administrative Committee on Coordination Inter-agency Committee on Women and Gender Issues, UNIFEM is the secretariat for the working group on operational activities.

IV. EXECUTIVE BOARD ACTION

33. The Board may wish to:

1. Endorse the further steps that United Nations Development Fund for Women (UNIFEM) has taken to ensure sound financial management of its resources;

2. Agree to the re-establishment of the operational reserve at the initial level of $3 million;

3. Request UNIFEM to submit a detailed proposal for the methodology for calculating both the annual approval ceilings and the maintenance of the operational reserve level at the first regular session 1997, in preparation for the re-establishment of the partial funding system;

4. Endorse the strategies of UNIFEM as outlined in document DP/1996/33, with due consideration for the views of the Board on the findings and recommendations of the evaluation report.

Notes

1/ Includes both 1996 estimated income, as well as $1.12 million of 1995 and prior-year unpaid pledges, $.616 million of which has been received as of 31 May 1996.

2/ See Executive Board decision 95/18, which authorizes UNIFEM to proceed with its programme in keeping with the projections described in table 3 of document DP/1995/33, subject to certain conditions.